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Social Services Department
Gato Building, Room 1-204
1100 Simonton Street
Key West, FL 33040
(305) 292-4573 - Phone
(305) 292-4517 - Fax

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

January 23, 2003

Ms. Theresa Phelan
Department of Children & Families
1111-12th Street #301
Key West, FL 33040

RE: Contract KG036; CCDA

Dear Ms. Phelan:

This letter is a notice of termination of the County's CCDA contract #KG036, to be effective February 28, 2003, in accordance with paragraph III.B.I of said contract, which will give you more than thirty days notice.

As you are probably aware, the existing contract includes rates at about half the amount being provided for the rest of the State, notwithstanding Monroe County having the highest cost of living in the State. There is no doubt that miscommunication resulted in such inappropriate rates placed in our contract and to the rates not coming to the attention of our respective administrations until recently. It is my understanding that the Department is willing to re-negotiate the rates for the future and that the Department is willing to consider a settlement agreement to address the rates through the date of termination of this contract.

The February 28th termination of the existing contract will require the new contract to be approved effective March 1, 2003 through June 30, 2003. We expect this to be approved at the next Commission meeting, February 19th, based on the new rates.

Please contact Mr. LaTorre at 292-4573 or Ms. Hutton at 292-3470 to facilitate the creation and approval of the new contract.

Sincerely,

James L. Roberts
County Administrator

Cc: Jerry Regler, Secretary DCF
Hon. Ken Sorensen
Lucy Hadi, Deputy Secretary, DCF
Dr. Samara Navarro, Director Adult Services, DCF
Louis LaTorre, Monroe County In-Home Services

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JAN 24 2003

Dept. of Children and Families
1111 12th Street, Suite 304
Key West, FL 33040

Jeb Bush
Governor



Jerry Regier
Secretary

**Florida Department of Children and Families
Office of the Secretary**



January 17, 2003

The Honorable Ken Sorensen
US House of Representatives
303 House Office Building
402 South Monroe Street
Tallahassee, Florida 32399-1300

Dear Representative Sorensen:

Monroe County In-Home Services is the Community Care for Disabled Adults (CCDA) provider for the Department in Monroe County. They have raised two issues for the Department's consideration.

First, they are seeking an adjustment to the existing unit rates for five services delivered during this fiscal year. Their request for adjustment is based on their understanding that the Department had agreed to extend the rates paid in fiscal year 2001-02 for these services to the current year. Second, they are seeking to negotiate new rates for each of the five services for the remainder of the fiscal year due to the increased cost to provide these services.

Monroe County In-Home Services has been the Department's CCDA provider since 1985. They have consistently been a valued partner, providing quality services that allow permanently disabled clients to live in their own homes. Their efforts ensure that our clients can avoid more costly and restrictive institutional placements. They are currently serving 21 Department clients and are authorized to serve up to 40 persons through their existing \$91,713 contract with the Department.

While the CCDA program has extremely limited funding and no funding for provider increases has been specifically appropriated, there are certain unique factors in this situation that merit consideration of the provider's request. First, Monroe County bears the distinction of having the highest cost of living of all Florida counties according to the Florida Price Level Index. The cost to procure goods and services is not only the highest in the State, it is 10.51% higher than the statewide average. Additionally, due to the size of the county, the distances that must be traveled to deliver client services further contribute to higher service delivery costs.

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Second, previous procurement attempts for similar services have resulted in no alternative provider competing to deliver these services. Either due to cost of service delivery or for other unknown reasons, multiple attempts to date to encourage competition have failed. It is highly unlikely that, if the current provider is unable to continue providing services due to inadequate compensation, an alternative provider could be readily and quickly identified. Disruption of client services is likely which is of great concern, given the vulnerability of the existing clients and the impact that disruption of services would have on their ability to continue to live in their own homes.

A third matter for consideration, which relates solely to the first issue, is that both parties acknowledge that the provider advised the Department of the inaccuracy of the rates initially submitted by the provider for fiscal year 2002-03. It was not the Department's intent to reduce these rates to such a level that the provider could not cover its basic costs. Both parties negotiated in good faith, but errors in the original submission from the provider coupled with miscommunications between the parties resulted in a potentially undesirable contract.

Based on the three unique factors cited above and in the interest of fairness, I am taking the following actions:

We will request that the provider submit its required 30-day notice to terminate its existing contract with the Department. Upon receipt of the notice, District 11 staff will enter into immediate negotiations with the provider in order to execute a new contract within 30 days to ensure no disruption of client services. Provider and District staff will immediately commence a joint review of each existing Monroe County CCDA client's care plan to reassess necessary services. This review will ensure that any adverse client impact is minimized to the extent possible and will be used to redirect any available funds from non-essential services to essential services. This effort will be critical to ensure that the Department and the provider do not exceed available funding and do not create an unintended annualization effect.

New contract rates will be entered into that are equal to those currently being paid by the Department of Elder Affairs for its Community Care for the Elderly Program. This is DOEA's counterpart to the CCDA program and it provides comparable services to clients in this area, therefore, costs should be consistent.

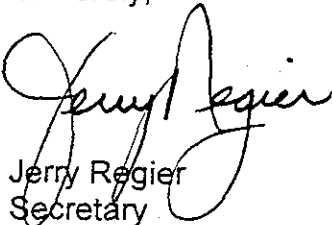
The Department's legal counsel will assist the District in pursuing available legal remedies to address the payment issues for services rendered to date.

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Specifically, we will be seeking to ensure that the provider receives payment for all services rendered from July 1, 2002 through the termination date of this contract at the rates prescribed in the 2001-02 contract between the parties.

I appreciate your bringing this matter to my attention and look forward to working with you on any other issues that may arise.

Sincerely,



Jerry Regier
Secretary

cc: Lucy Hadi, Deputy Secretary
Cheleene Schembera, Acting District Administrator, District 11
Dr. Samara Navarro, Director of Adult Services
Louis LaTorre, Monroe County In-Home Services, Director